

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

IN RE)
) CASE NO. 08-35653-KRH
CIRCUIT CITY, INC., ET. AL.,) (Jointly Administered)
)
Debtors.)

LIMITED OBJECTION TO SALE FREE OF LIENS,
BY HAMILTON COUNTY, TENNESSEE TRUSTEE, AS TO
ASSETS OF STORE AT 2206-2208 HAMILTON PLACE BLVD.,
CHATTANOOGA, TENNESSEE 37421 (STORE NO. 851)

Comes Carl E. Levi, Claimant, as Trustee for Hamilton County, Tennessee, by counsel, and states to the Court that he is charged with a duty to collect *ad valorem* property taxes owed to said county with respect to real and business personal property located within said county. He has become aware of an Order or certain Orders authorizing an immediate sale of the debtor's assets, presumably free of liens which would attach to the proceeds of sale, apparently including the taxable real and business personal property assets of the debtor located at its store in Hamilton County, Tennessee, located at 2206-2208 Hamilton Place Blvd., Chattanooga, Tennessee 37421, believed to be designated by debtor as its Store No. 851.

Claimant filed his claims 1591 and 1595 in this proceeding on December 15, 2008. One claim is for real property taxes owed by the debtor for the year 2008 in the principal amount of \$59,011.00, and one claim is for business personal property taxes for the year 2008 in the principal amount of \$1,944.00. Both claims are secured by a first lien on the taxable assets pursuant to State statute. The 2008 taxes also will bear interest at 1% per month and penalties at ½% per month beginning March 1, 2009, until paid.

In addition to the 2008 taxes, taxes for the year 2009 arose and liens securing the same attached to the debtor's taxable real and business personal property respectively, as of January

1 of 2009. Although the 2009 taxes will not be billed for many months, nevertheless, there is a lien on the assets securing payment of said taxes when billed.

Claimant is uncertain as to the mechanism that the Court will require or has required of the debtor for payment of lien claims at closing from the proceeds of sale of the debtor's asset liquidations. Claimant objects to any sale and any closing which does not provide immediate payment at closing of seller's 2008 taxes on the real and business personal property, and provision for ultimate payment of the 2009 taxes as and when billed hereafter.

Claimant is providing a copy of this objection as set out in the Court's Notice of Hearing to attorneys listed on the attached certificate of service.

WHEREFORE, claimant prays his objection be sustained, and that the Hamilton County, Tennessee's lien taxes plus any interest and penalties be paid at the closing of the sale of any of the assets subject to the tax liens.

Respectfully submitted,

SPEARS, MOORE, REBMAN & WILLIAMS, P.C.

By: /s/Scott N. Brown, Jr.

Scott N. Brown, Jr., (BPR #01212)

Attorneys for Hamilton County Trustee

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Chattanooga, TN 37401-1749

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CERTIFICATE OF SERVICE

I hereby certify that on January 21, 2009, a copy of the foregoing Limited Objection to Sale Free of Liens by Hamilton County, Tennessee, Trustee as to Assets of Store at 2206-2008 Hamilton Place Blvd., Chattanooga, Tennessee 37421 (Store No. 851) was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. Parties may access this filing through the Court's electronic filing system. Copies have also been sent by First Class U.S. Mail on this date to:

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